

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1201 - SB 1342

March 20, 2013

SUMMARY OF BILL: Requires that the administrative order issued by the Department of Human Services (DHS) through an authorized representative or a Title IV-D contractor to direct a child support obligor or other payor in a Title IV-D child support case to change the payee to the clerk or DHS contain the date each month, or other time specified by the order, by which the payee must transmit the payment to the obligee.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Tenn. Code Ann. § 36-5-803 authorizes an authorized representative of the Commissioner of Human Services, or a Title IV-D contractor, to issue an administrative order to direct the obligor or other payor in Title IV-D child support cases to change the payee to the clerk or DHS. Notice of the order is provided to the obligor and the obligee.
- According to DHS, these notices are sent when a case that was previously not part of the Title IV-D system becomes a Title IV-D case. Often these notices are sent to employers pursuant to income withholding of child support payments. This notice does not change the amount or the frequency of the court ordered payment.
- Currently, Tenn. Code Ann. § 36-5-501(g)(1) states that an assignment of income becomes binding on the employer within 14 days after transmission of the notice to the employer and the amount withheld must be sent by the employer to the clerk or DHS within 7 days of the date the person is to be paid, the date the person is paid, or the date the amount due such person is to be credited.
- The OMB 0970-0154 form used for income withholding states that the employer does not have to alter the employer's pay cycle.
- According to DHS, changes must be made to operations and the automated child support system TCSES (Tennessee Child Support Enforcement System) to comply with both the bill and the federal child support law relative to employers' pay cycles to prevent jeopardizing federal funds.
- It is estimated that DHS can accommodate the changes within existing resources without an increased state appropriation or reduced reversion.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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